

AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1144

Introduced by Assembly Member Hall

February 22, 2013

An act to add Section ~~22900.1~~ 22893.1 to the Government Code, relating to public employee benefits.

LEGISLATIVE COUNSEL'S DIGEST

AB 1144, as amended, Hall. Public Employees' Medical and Hospital Care Act: ~~City of Carson~~. *contracting agencies*.

The Public Employees' Medical and Hospital Care Act (PEMHCA) authorizes the Board of Administration of the Public Employees' Retirement System to contract with carriers for health benefit plans for employees and annuitants, as defined. Existing law requires an agency contracting for coverage under PEMHCA and each employee or annuitant to contribute a portion of the cost of providing the benefit coverage afforded under the health benefit plan in which the employee or annuitant may be enrolled and prescribes various schedules for employer payments and requirements in relation to those payments.

This bill would authorize a contracting agency, the employees' exclusive representative, and unrepresented employees to agree that the employer contribution for postretirement health coverage be subject to specified factors, including that the contributions be subject to a mutually agreed upon memorandum of understanding that is not subject to impasse procedures. The bill would prohibit a memorandum of understanding entered into in this context from applying to retired employees. The bill would prohibit an employer contribution for an

employee with less than 5 years of credited service with the contracting agency.

~~This bill would require the employer contribution for postretirement health benefit coverage for an employee of the City of Carson to be based on percentages associated with the annuitant's credited years of service. The bill would provide a formulation for the employer contribution that would reach 100% when the employee attains 10 years of credited service, with specified exceptions. The bill would define credited service and would require that at least 5 years of credited service to have been performed with the City of Carson. The bill would require that the employer provide any information requested by the board that the board deems necessary to implement the section. The bill would except from the formulation annuitants who have retired for disability and annuitants who have 10 or more years of service entirely with the city. The bill would require the board to establish application procedures and eligibility criteria to implement this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 22893.1 is added to the Government Code,*
- 2 *to read:*
- 3 *22893.1. (a) Notwithstanding any other provision of this part,*
- 4 *the contracting agency, the exclusive representative of employees*
- 5 *of the agency, and unrepresented employees of the agency may*
- 6 *agree that the employer contribution for postretirement health*
- 7 *coverage shall be subject to the following:*
- 8 *(1) Credited years of service that the employee worked with the*
- 9 *contracting agency.*
- 10 *(2) A memorandum of understanding regarding postretirement*
- 11 *health coverage mutually agreed upon through collective*
- 12 *bargaining. This issue may not be subject to the impasse*
- 13 *procedures set forth in Article 9 (commencing with Section 3548)*
- 14 *of Chapter 10.7 of Division 4 of Title 1.*
- 15 *(3) The employer shall certify to the board, in the case of an*
- 16 *employee not represented by a bargaining unit, that there is not*
- 17 *an applicable memorandum of understanding.*
- 18 *(b) A memorandum of understanding regarding employer*
- 19 *contributions entered into pursuant to the authorization provided*

1 *by this section shall not apply to an employee who retired before*
2 *the effective date of the memorandum of understanding and, to the*
3 *extent a memorandum of understanding purports to apply to a*
4 *employee who is retired, those provisions shall be without effect.*

5 *(c) An agreement reached pursuant to subdivision (a) shall not*
6 *be valid if it provides an employer contribution for an employee*
7 *with less than five years of credited service with the contracting*
8 *agency.*

9 *(d) The contracting agency shall provide, in the manner*
10 *prescribed by the board, a notification of the agreement established*
11 *pursuant to this section and any additional information necessary*
12 *to implement this section.*

13 ~~SECTION 1. Section 22900.1 is added to the Government~~
14 ~~Code, to read:~~

15 ~~22900.1. (a) Notwithstanding any other provision of this part,~~
16 ~~the percentage of employer contribution payable for postretirement~~
17 ~~health benefits for an employee of the City of Carson, California,~~
18 ~~except as provided in subdivision (b), shall be based on the~~
19 ~~employee's completed years of credited service, provided that the~~
20 ~~City of Carson shall not pay an employer contribution for the first~~
21 ~~five years of that credited service, and shall pay thereafter as shown~~
22 ~~in the following table:~~

| Credited Years of Service | Percentage of Employer Contribution |
|---------------------------|-------------------------------------|
| 5 | 50 |
| 6 | 60 |
| 7 | 70 |
| 8 | 80 |
| 9 | 90 |
| 10 | 100 |

31
32 ~~The application of this subdivision shall be subject to the~~
33 ~~following:~~

34 ~~(1) The employer contribution with respect to each annuitant~~
35 ~~shall be adjusted by the employer each year by resolution of the~~
36 ~~City of Carson City Council, and that resolution shall be filed with~~
37 ~~the board annually.~~

38 ~~(2) The employer shall certify to the board, in the case of~~
39 ~~employees not represented by a bargaining unit, that there is not~~
40 ~~an applicable memorandum of understanding.~~

1 ~~(3) The credited service of an annuitant for the purpose of~~
2 ~~determining the percentage of employer contributions applicable~~
3 ~~under this section shall mean state service as defined in Section~~
4 ~~20069, except that at least five years of credited service shall have~~
5 ~~been performed with the City of Carson.~~

6 ~~(4) The employer shall provide the board any information~~
7 ~~requested that the board determines is necessary to implement this~~
8 ~~section.~~

9 ~~(b) Notwithstanding subdivision (a), the contribution payable~~
10 ~~by the employer subject to this section shall be equal to 100 percent~~
11 ~~of the amount established pursuant to paragraph (1) of subdivision~~
12 ~~(a) on behalf of any annuitant who either:~~

13 ~~(1) Retired for disability.~~

14 ~~(2) Retired for service with 10 or more years of service credit~~
15 ~~entirely with that employer, regardless of the number of days after~~
16 ~~separation from employment. The contribution payable by the~~
17 ~~employer under this paragraph shall be paid only if it is greater~~
18 ~~than, and made in lieu of, a contribution payable to the annuitant~~
19 ~~by another employer under this part. The board shall establish~~
20 ~~application procedures and eligibility criteria to implement this~~
21 ~~paragraph.~~